



Common Sense Initiative

Mike DeWine, Governor
Jon Husted, Lt. Governor

Carrie Kuruc, Director

MEMORANDUM

TO: Megan Meadows, Ohio Development Services Agency

FROM: Jacob Ritzenthaler, Regulatory Policy Advocate

DATE: February 18, 2021

RE: **CSI Review – Percentage of Income Payment Plan (PIPP) Plus Program (OAC 122:5-3-01 through 122:5-3-10)**

On behalf of Lt. Governor Jon Husted, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Agency as provided for in ORC 107.54.

Analysis

This rule package consists of five amended rules, three no change rules, and one rescinded rule proposed by the Ohio Development Services Agency (DSA) as part of the five-year statutory review requirement. This rule package was submitted to the CSI Office on November 25, 2020, and the public comment period was held open through December 30, 2020. Unless otherwise noted below, this recommendation reflects the version of the proposed rules filed with the CSI office on November 25, 2020.

Ohio Administrative Code (OAC) Chapter 122:5-3 establishes requirements for the Percentage of Income Payment Plan (PIPP) Plus Program, which allows eligible consumers of gas and electric utilities to pay a percentage of the household income instead of the billed price. The PIPP Plus Program is the result of alignment between DSA and the Public Utilities Commission of Ohio to ensure that energy customers who have trouble paying their utility bills can receive service at a manageable cost and that service providers are able to maintain a steady payment for utility provision. OAC 122:5-3-01 lists the definitions used throughout the chapter and is amended to introduce a new definition for the term "Removed for non-payment," which states that if a

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customer has not made three or more consecutive payments, the electric company will notify the individual that removal from PIPP Plus will occur after one billing cycle unless the owed amount is paid. OAC 122:5-3-02 establishes criteria for customer eligibility and guidelines for customer default and removal from the program. Amendments include requirements for customers to be removed from the program after three consecutive months of missed payments, as well as requiring that customers only be liable for payments for months where services were provided. OAC 122:5-3-03 provides procedures to verify customer eligibility for PIPP Plus and is amended to include language consistent with other amendments regarding reenrollment and payment for services. OAC 122:5-3-04 establishes requirements for monthly PIPP Plus payments and customer arrearages and is amended to change the monthly PIPP Plus payment from six percent of a customer's monthly household income to five percent, as well as increase the time period for graduate PIPP Plus customers from 12 months to 14 months. OAC 122:5-3-05 concerns disbursement of public funds to electric utilities, which requires monthly disbursements on behalf of PIPP Plus customers and reporting requirements. The rule is proposed without changes. OAC 122:5-3-06 allows the aggregation of PIPP Plus customers for the purpose of auctioning the supply of competitive retail electric generation service to certified bidders. This rule was initially proposed for rescission but was proposed without changes following stakeholder feedback. OAC 122:5-3-07 and 122:5-3-08 set forth requirements for administering funds, including federal funding for home energy and weatherization assistance programs. OAC 122:5-3-09 and 122:5-3-10 concern the ability of the director to delegate duties and the severability of the rule chapter requirements.

During early stakeholder outreach, DSA sent the rules to relevant industry stakeholders and reviewed the proposed rules during public meetings held by the agency and with PUCO. During that time, stakeholders provided comments suggesting changes to mitigate large account balances that prevented customers from rejoining PIPP Plus, monthly payment rates, and graduate PIPP time periods. DSA included these suggested changes in the amendments to the rules. DSA did not make changes based on suggestions to delete the definition for "anniversary date," establishing a maximum dollar amount to rejoin PIPP Plus, creating a separate PIPP Plus application, or changing the date for reverification. During the CSI public comment period, DSA received comments from Duke Energy, Dayton Power & Light Company, and First Energy. In response to stakeholder feedback, DSA made changes to the rules that changed OAC 122:5-3-06 from a rescinded rule to a no change rule, removed the definition of "removed for non-payment" and corresponding rule language, and added language related to 12-month service maintenance limits, PUCO billing requirements, voluntarily leaving the program, and additional clarifications.

The business community impacted by these rules includes 51 electric utility companies, as well as the 239,846 PIPP Plus customers. The adverse impact created by the rules is primarily the burden

on electric utility companies providing PIPP services to adhere to the administrative requirements to manage customer enrollment and the rates at which monthly payments are processed. DSA states in the BIA that any burden presented by the rules is justified in order to ensure that income-eligible customers are able to receive utilities at an affordable price without neglecting payment to Ohio's electric utility companies.

Recommendations

Based on the information above, the CSI Office has no recommendations on this rule package.

Conclusion

The CSI Office concludes that the Department should proceed in filing the proposed rules with the Joint Committee on Agency Rule Review.